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Report Highlights: High grain stocks will allow China to continue its corn export program and imports will remain minimal over the near term. Long term import prospects are more favorable given recent policy-driven drops in production and continued gains in livestock products consumption.

Includes PSD changes: Yes
Includes Trade Matrix: No
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General Overview

Recent changes in government policy have reduced overall Chinese grain production by nearly 50 million tons or over 10 percent. This, combined with below-cost corn exports, means that the Government has been able to begin cutting huge stocks built up in the late 1990s. Since the Government publishes no numbers on consumption and stocks, it is difficult to say for sure, but it appears that grain stocks are declining only slowly. This appears to be because of very anemic, if not declining consumption of grain for food. Stocks seem large enough (and the Government seems committed) to maintain corn exports at the current pace through the rest of 2002 and into 2003. Large stocks should also keep imports at minimal levels.

Despite weak food demand, Chinese feed demand is growing steadily. If it does not already, grain consumption in China should exceed current market-driven levels of production. In the long run this means that China could very well once again become a net grain importer. However this will have to wait until stocks are reduced to reasonable levels. Although this will probably not happen over the next year, it is difficult to say how soon it will happen given the lack of information on the Chinese market.

Wheat

Production and Consumption

Winter wheat planted areas appear to have once again dropped for the MY 2003 crop. This would mark the fourth year running that area has dropped. Some part of this drop can be attributed to increasingly scarce water resources. However, most importantly it indicates the continued determination of the Government to reform the wheat market. In several provinces, the Government has completely eliminated procurement according to protected prices. In the major producing provinces the protected prices remain. However, through most of the past three years these protected prices have been well below market prices. Trend wheat production has now fallen well over 20 percent or over 20 MMT per year.

Certainly demand for human consumption is not robust. The government publishes no national consumption numbers per se. However, it does publish per capita rural consumption and urban grain purchases. These numbers indicate that per capita rural consumption for wheat is off five percent from historical highs in the early 1990s. Per capita urban household purchases of grain based foods have dropped some 40 percent since 1990. These drops are due to both a normal income effect and also to the abolition, in the middle 1990s, of government policies subsidizing consumption. Taking into consideration that a substantial portion of the population has migrated to the city, where per capita consumption is definitely lower than the country, it is possible that total consumption of wheat could have dropped as much as 10 percent in China since the early 1990s, despite an increase in population of 11 percent during the same period. Although in coming years such a pronounced drop seems unlikely, food demand for wheat will continue to be flat at best.

The makeup of demand for wheat is changing as well. Demand for breads and cakes is growing, while the demand for traditional steam bread and dumplings is declining. Also, overall the quality of wheat-based foods is improving.

The 2003 marketing year will also see an increase in what the Government calls “quality” wheat production. This relates to the development of new varieties that better meet quality needs. This is in contrast to past government policy which emphasized quantity above all else. More than 25 percent of production should come from quality varieties in MY 2003, up from virtually no production of quality varieties five years ago. The move toward more market oriented production, along with government encouragement, and support of breeding programs have made these increases possible.

Although the Government may be exaggerating quality improvements to a degree, talks with millers indicate there has definitely been a change in recent years. Domestic production can now provide more wheat that meets milling properties that were in the past mainly satisfied by imports. Higher protein and gluten contact is the most noted improvement, but improvements are also being made in other areas as well. Most millers report that they still have to import to blend but the amount of imports needed is less. This is borne out by overall import numbers.

Despite gains, millers still report some problems with “quality” wheat. In particular, they note problems in establishing consistent, stable supplies. However, millers and producers are addressing these problems with special contracting and other devices. As time goes by, domestic production can be expected to become more adept at supplying the full range of millers' needs. Indeed, given the high cost of land in China, the wheat industry may well be expected to move toward higher value varieties with any imports being lower value wheat—a reverse of the current pattern.

Stocks

Even though wheat food consumption has probably been falling for the last decade, government policy encouraged production increases until MY 1999. As a consequence production consistently outpaced consumption in the mid to late 1990s. This meant that by the end of MY 1999 stocks likely surpassed one year's worth of consumption. The Government, which bares the cost of these stocks, has responded with changes in policy. First has been the already discussed dismantling of high protected prices and government procurement that has led to a steep drop in production. Second has been the systematic auctioning of old or low quality wheat stocks. Since the beginning of MY 2000, these have entered the market primarily as feed. Feed use of wheat has jumped to well over 10 percent of total output. Despite these actions, consumption remains so weak that stocks are dropping only slowly. Likely no change in government policy will occur in MY 2003, but, barring a catastrophic crop, stocks should remain well above desired levels through MY 2003 and likely beyond.

Trade

Two factors already mentioned above will affect trade through the rest of MY 2002 and MY 2003. First is the stock situation. This probably rules out any large scale imports even though a tariff rate quota is in place for 9.052 MMT. In MY 2001 the Government subsidized at least 500,000 tons of exports in an attempt to reduce stocks. However, even though the Government seems to have no compunction about subsidizing corn exports, it seems to have no plans to subsidize wheat exports further.

The second big factor that will influence imports is the improvement in domestic quality. As noted already, these improvements have allowed millers to more freely substitute domestic wheat for imports. This impact has been magnified over the past year as world wheat prices have risen. If world prices stay at current levels, then imports will stay at or below current anemic levels through MY 2003. If world prices fall, then imports can be expected to improve, albeit at best, only to the levels of MY 2001.

The Chinese Government also hopes that improvements in quality will allow China to export wheat without subsidies. In the current environment of good world prices, the state trading company with the sole right to export wheat has already contracted well over 100,000 MT of milling-quality wheat to countries in Asia and the Middle East. Most wheat exports in the past have been in the form of flour from imported wheat or of feed quality wheat. Although not dramatic, these increased wheat exports can make up for much of the loss in subsidized sales. They can be expected to continue through MY 2002 and into MY2003, although quantities will still be relatively modest.

Besides weak market conditions, wheat imports are faced with other restrictions that have aggravated the situation. The newly instituted tariff rate quotas have proved restrictive to some millers, but the weak market means it is difficult to claim much harm yet. More importantly however, traders report that quarantine officials continue to place TCK-related phytosanitary restrictions on U.S. winter wheat imports despite a 1999 agreement to eliminate them.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	24700	24664	23500	23500	0	23000
Beginning Stocks	91877	95155	76588	83608	61974	67908
Production	93870	93873	92000	90000	0	88000
TOTAL Mkt. Yr. Imports	1092	1092	1000	500	0	500
Jul-Jun Imports	1092	1092	1000	500	0	500
Jul-Jun Import U.S.	0	228	0	100	0	0
TOTAL SUPPLY	186839	190120	169588	174108	61974	156408
TOTAL Mkt. Yr. Exports	1512	1512	1500	1200	0	1200
Jul-Jun Exports	1512	1512	1500	1200	0	1200
Feed Dom. Consumption	9000	12000	7000	12000	0	12000
TOTAL Dom. Consumption	108739	105000	106114	105000	0	104000
Ending Stocks	76588	83608	61974	67908	0	51208
TOTAL DISTRIBUTION	186839	190120	169588	174108	0	156408

China Average Wheat(Grade2) Wholesale Price		
(Renminbi Per Metric Ton, USD 1.00 = RMB 8.27)		
Month	Production	Sales
National Average	Area /1	Area /2
December (2001)	1,115	1,146
January (2002)	1,101	1,128
February	1,097	1,108
March	1,086	1,121
April	1,086	1,117
May	1,047	1,099
June	1,090	1,093
July	1,078	1,090
August	1,070	1,097
September	1,068	1,073
October	1,090	1,127
November	1,110	1,137
December	1,130	1,143
/1 Heilongjiang, Shandong, Henan,Shanxi		
/2 Beijing, Tianjin,Fujian		
Source: China National Grain and Oils Information Center		
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China's Wheat Imports By Origin, MY 2001/2002 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Canada	45	362	127	167	702
United States	58	54	45	72	228
Australia	5	15	35	3	57
Japan	4	3	3	3	13
Belgium	3	5	0	0	9
South Korea	2	3	2	2	8
Nepal	1	2	0	2	6
Thailand	2	1	0	0	4
Italy	0	0	0	0	3
All Others	2	4	3	2	7
Grand Total	122	449	215	251	1,037
China's Wheat Imports By Origin, MY 2002/2003 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
Canada	73	12			85
United States	14	38			52
Australia	35	4			39
Japan	3	4			7
South Korea	2	3			5
Nepal	1	2			3
Italy	1	1			2
Thailand	0	1			1
United Kingdom	0	0			1
All Others	3				1
Grand Total	132	64			196
Source:China Customs					
HS Codes: 10011000,10019010,10019090,11010000,19021100,19021900,19023030,					
19023090,19024000					

China's Wheat Exports By Destination, MY 2001/2002 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
South Korea	183	122	162	185	653
Indonesia	30	37	34	90	191
Hong Kong	43	38	39	43	163
Philippines	44	35	16	16	111
North Korea	23	28	25	17	93
Mongolia	13	14	7	8	43
Canada	2	3	2	3	10
United Kingdom	2	2	2	3	9
Myanmar(Burma)	1	4	2	1	8
All Others	12	14	12	16	52
Grand Total	353	297	301	382	1,333
China's Wheat Exports By Destination, MY 2002/2003 (1,000 Metric Tons)					
Country	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Total
South Korea	176	52			228
Indonesia	39	86			125
Hong Kong	42	41			83
North Korea	17	24			41
Vietnam	0	8			8
Thailand	3	2			6
Canada	2	3			5
Myanmar(Burma)	2	3			5
Japan	2	3			5
All Others	19	24			42
Grand Total	302	246			548
Source: China Customs					
HS Codes: 10011000,10019010,10019090,11010000,19021100,19021900,19023030,					
19023090,19024000					

Corn

Production and Prices

Corn planted area for MY 2003 should be at or modestly lower than last year's level. Corn prices are largely unchanged from the levels of last year. Likewise, prices for alternatives, particularly soybeans, are at, or near, previous levels, but new more profitable soybean varieties that are gaining popularity in China could encourage an increase in soybeans planting. The effect of new soybean varieties on corn plantings is not yet expected to be dramatic but it bears watching. Long terms trends toward more vegetable and other commercial crop production also continues to constrain corn planted area. Accordingly, given normal weather, production in MY 2003 should be near MY 2002's level.

Looking forward beyond this year and into MY 2004, government policy seems to be to maintain prices at or near current levels. Although not growing at the meteoric rates of the early nineties, demand growth for feed is still robust. At the same time, with drops in food grain production and flat feed grain output, government policy appears to have successfully addressed grain overproduction in the late 1990s. Stocks of corn and corn substitutes remain large, but with production moderated, the pressure to unload stocks quickly is not great. The Government can also aggressively use export subsidies to reduce stocks. Consequently, the Government has released stocks on the domestic market only gradually and in a way that maintains prices in the current range, which presumably policy makers judge to satisfy both grain farmers and livestock producers.

Stocks appear large enough that the Government can continue this policy for the next year if crop conditions are normal. Preliminarily, this means sharp drops or increases in production are not likely for MY 2004 as well.

Consumption

As already noted, feed consumption in China continues to grow strongly if not as quickly as a decade ago. The growth in domestic demand for livestock products continues to increase as China's economy, despite slower growth in the rest of the world, is maintaining official overall growth rates of at least 7 to 8 percent per year. Livestock production and aquaculture are growing steadily with no reason to expect any moderation through MY 2003.

Despite growth in feed demand, corn use over the past several years has probably been below previous years, as wheat, and to a lesser extent rice, feed use has increased. The sharp buildup in the stocks of these two grains in the late 1990s meant that there was plenty available for feed as corn price began to rice in middle 2000. Stocks are adequate for rice and wheat to continue to dampen corn consumption at least through MY2003.

Since the government does not publish consumption or stock numbers, it is very difficult to analyze consumption vis-a-vis production. However it does appear that currently the consumption of grains in total exceeds production. This, combined with exports, means that stocks are declining, albeit slowly, and that at some point in the future wheat and rice use in feed will decline. With the livestock industry continuing to increase it is indeed quite possible that the current situation will reverse and China could very well need to import corn. Unfortunately, given the scarcity of statistics available predicting when and if this turnaround will occur is very difficult.

Trade

The new tariff-rate quota that China introduced in 2002 upon entering the WTO means that 6.525 MMT of corn can be imported into China at 1 percent tariff in 2003. There are problems with the rules China has promulgated to regulate the TRQs, but other factors are preventing corn imports anyway. Although the tariff is only 1 percent, China's application of its VAT means that most domestic corn pays no VAT, but all imports are assessed a 13 percent VAT. This means that since TRQs were introduced, imports have not been competitive. Barring a dramatic drop in world prices or a catastrophic Chinese crop year, this situation is likely to continue through the remainder of MY 2002 and for most, if not all of MY2003.

China's corn exports show every indication of continuing at their current 1 MMT per month pace through the rest of MY 2002 and most, if not all, of MY 2003. Despite a WTO pledge to eliminate export subsidies, China's export sales are at prices as much as $20 per ton below equivalent domestic prices. China has explained the difference with a WTO-consistent waiver of the VAT on exports and a reduction of railway fees for all grain. These measures however appear to fall well short of accounting for all the price difference.

China seems committed to use whatever measures are necessary to continue exports despite fluctuations in world prices. Sales have already been booked to maintain the current pace at least through April. Of course, in the past China has enacted sudden inexplicable changes in policy, but China would seem to have no reason to change this policy.

Although other factors preventing imports have made this concern largely irrelevant until now, China's new measures regulating imports of biotech commodities have proven problematic. The process for China's approving individual biotech corn varieties is extremely cumbersome and time consuming. Seed companies from exporting countries have applied for this approval but final word could still be a year or more away. This does not appear to be too big a concern at present, but given further delays, or an unexpected change in the market, it could hurt trade.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	24282	24282	24500	24500	0	24500
Beginning Stocks	83127	87127	68654	72616	60754	63666
Production	114088	114088	125000	125000	0	125000
TOTAL Mkt. Yr. Imports	50	12	100	50	0	50
Oct-Sep Imports	50	12	100	50	0	50
Oct-Sep Import U.S.	20	0	0	0	0	0
TOTAL SUPPLY	197265	201227	193754	197666	60754	188716
TOTAL Mkt. Yr. Exports	8611	8611	11000	12000	0	12000
Oct-Sep Exports	8611	8611	11000	12000	0	12000
Feed Dom. Consumption	93000	93000	95000	95000	0	97000
TOTAL Dom. Consumption	120000	120000	122000	122000	0	124000
Ending Stocks	68654	72616	60754	63666	0	52716
TOTAL DISTRIBUTION	197265	201227	193754	197666	0	188716

China's Average Corn Wholesale Prices		
(Renminbi Per Metric Ton, USD 1.00 = RMB 8.27)		
Month	Production	Sales
National Average	Area /1	Area /2
December (2001)	1,013	1,049
January (2002)	953	1,047
February	973	1,081
March	998	1,101
April	995	1,089
May	1,006	1,107
June	1,033	1,120
July	1,018	1,138
August	1,003	1,133
September	970	1,118
October	940	1,025
November	960	1,034
December	990	1,054
/1 Heilongjiang, Jilin, Shandong, Henan		
/2 Tianjin, Fujian, Jiangxi, Hubei		
Source: China National Grain and Oils Information Center		
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China's Corn Imports By Origin, MY 2001/2002 (Metric Tons)					
Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
China	4,344	3,415	0	0	7,759
Vietnam	590	2,394	0	0	2,984
Myanmar	1,174	252	0	2	1,428
Peru	101	0	17	103	221
United States	0	0	21	22	43
Argentina	0	0	11	0	11
France	0	0	10	0	10
United Kingdom	0	0	0	5	5
Japan	0	0	5	0	5
All Others	0	3	7	0	10
Grand Total	6,209	6,064	71	132	12,476
Source: China Customs					
HS Codes: 10051000,10059000					

China's Corn Imports By Origin, MY 2002/2003 (Metric Tons)					
Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
Peru	36				36
India	6				6
Myanmar(Burma)	5				5
United States	4				4
United Kingdom	4				4
Yugoslavia	0				0
Germany	0				0
Australia	0				0
Japan	0				0
All Others	0				0
Grand Total	56				56
Source: China Customs					
HS Codes: 10051000,10059000					

China's Corn Exports By Destination, MY 2001/2002 (Metric Tons)					
Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
South Korea	400,765	1,241,660	483,867	1,987,034	4,113,326
Malaysia	443,046	501,220	448,425	874,832	2,267,523
Indonesia	237,933	79,754	256,890	390,486	965,064
North Korea	160,752	71,023	42,937	13,225	287,936
Vietnam	6,854	64,674	81,387	108,385	261,300
Japan	88,413	44,832	20,207	73,970	227,422
Bangladesh	65,139	18,897	22,368	45,125	151,529
Sri Lanka	36,101	13,300	12,631	24,181	86,212
Hong Kong	20,576	14,931	13,477	21,211	70,195
All Others	2,051	50,344	2,235	125,417	180,049
Grand Total	1,461,630	2,100,635	1,384,424	3,663,866	8,610,556
Source: China Customs					
HS Codes: 10051000,10059000					

China's Corn Exports By Destination, MY 2002/2003 (Metric Tons)					
Country	Oct-Dec	Jan-Apr	May-Jun	Jul-Sep	Total
South Korea	2,425,034				2,425,034
Malaysia	661,398				661,398
Indonesia	614,784				614,784
South Africa	185,666				185,666
Japan	177,453				177,453
Zimbabwe	126,554				126,554
Bangladesh	66,202				66,202
Iran	50,584				50,584
Philippines	47,485				47,485
All Others	169,423				169,423
Grand Total	4,524,583				4,524,583
Source: China Customs					
HS Codes: 10051000,10059000					

Rice

Production

Rice acreage and production both dropped in MY 2002. Despite better growing conditions for late rice, decreased planted area for early rice in Southern China brought down the nation's total rice output. Rice production has been in decline for five years in a row since it peaked in MY 1997. This represents a total drop of over 10 percent. The drop is mainly a result of changes in government policy. Since the late 1990s, as part of national grain policy reforms, local governments have gradually lowered procurement prices to discourage farmers from producing too much rice. The average support price has dropped every year from MY 1997 to MY 2001. Further, low-grade early rice varieties in Southern China have not been eligible for government procurement at all since 2000. Government procurement policies now only cover late rice varieties in Southern China and Japonica rice of better quality in Northeast China. Also, recently, in coastal prosperous provinces such as Guangdong and Zhejiang, the Government has freed farmers from providing government grain bureaus with yearly grain quotas. They can now pay cash instead of grain for taxation.

To fit this new market situation, rice farmers have to improve crop quality, or shift to more profitable crops for better economic returns. This not only helps to cut China's excessive grain production but also improve, overall regional production and consumption efficiency.

This trend should continue in MY 2003 as no reversal in the Government's overall policy is expected. However, given how much production has already dropped, MY2003's decrease in rice should be smaller than in recent years.

Consumption and Stocks

Demand for human use of rice continues weak. Since the early 1990s urban consumption has dropped significantly. Much of this can be attributed to the Government phasing out programs subsidizing urban grain consumption in the midlle 1990s. However, people in the cities are also modifying their diet as incomes increase. The proportion of the diet that is staples continues to decline. However, people in the countryside have not changed their consumption patterns as much. Official statistics show that per capita consumption has dropped by only five percent over the past 10 years. Population increases counteract this to an extent, but at best consumption seems likely to remain flat in coming years.

This drop in consumption, and the change in government production policy already discussed, led to large stocks in the late 1990s. It is difficult to say for sure, since stock and consumption numbers are not published, but production is probably now falling short of domestic consumption. This seems particularly likely when one considers that rice feed use has probably increased. This has allowed the Government to scale down the amount of state grain stocks by reducing purchases and by auctioning low-grade rice at low prices. These auctions are likely a prime source of rice for feed use. However, despite significant declines, rice stock remains large. The Government does not like to release stocks too quickly for fear of unduly hurting prices. Barring a very bad crop, or a drastic change in the world market, this scenario seems set to continue for the next year or more.

Trade

China Custom's figures show that China's imports of rice in calendar year 2002 dropped by nearly 20 percent to 240 TMT. Nearly all rice imports are Thai fragrant rice. Thai fragrant rice is mostly consumed in Southern China. Demand elsewhere is limited. Many locally bred fragrant rice varieties are finding their way onto the domestic marketplace. As quality of domestic rice varieties improves, Thai rice is becoming less competitive. Accordingly, the full tariff-rate quota for rice imports was far from being filled in 2002. Traders expect this anemic import volume for Thai fragrant rice to continue in 2003, if, as they expect, the current gap between Thai and local fragrant rice prices continues.

China expected that entering the WTO might help China's Japonica rice exports to Japan and South Korea. However, tough competition from other rice-exporting countries and limited market demand have curbed such expansion. In fact, the majority of China's rice exports in 2002 remained of average grade and went to African countries as in past years. No change in this market situation is foreseen for the near future.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Rice, Milled				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2002		01/2003		01/2004
Area Harvested	28812	28812	28100	27450	0	27200
Beginning Stocks	94100	94120	82300	82071	67350	67509
Milled Production	124306	124306	121800	121198	0	120000
Rough Production	177580	177580	174000	173140	0	171429
MILLING RATE (.9999)	7000	7000	7000	7000	0	7000
TOTAL Imports	225	238	300	240	0	240
Jan-Dec Imports	225	238	300	240	0	240
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	218631	218664	204400	203509	67350	187749
TOTAL Exports	1750	1983	2250	2000	0	2000
Jan-Dec Exports	1750	1983	2250	2000	0	2000
TOTAL Dom. Consumption	134581	134610	134800	134000	0	134000
Ending Stocks	82300	82071	67350	67509	0	51749
TOTAL DISTRIBUTION	218631	218664	204400	203509	0	187749

China's Average Wholesale Market Rice Prices		
(Renminbi Per Metric Ton, USD 1.00 = RMB 8.27)		
Month	Milled Japonica	Milled Japonica
National Average	Grade 1	Grade 1
	Producing Area /1	Sales Area /2
December (2001)	1,782	2,095
January (2002)	1,727	2,095
February	1,720	2,120
March	1,756	2,095
April	1,735	2,095
May	1,759	2,095
June	1,765	2,095
July	1,756	2,120
August	1,785	2,120
September	1,783	2,120
October	1,738	2,075
November	1,738	2,100
December	1,738	2,100
/1 Jilin, Heilongjiang, Anhui,Zhejiang		
/2 Beijing, Hubei		
Source: China National Grain and Oils Information Center		
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China's Rice Imports by Origin, MY 2002 (Metric Tons)					
Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Thailand	14,740	82,703	57,913	77,128	232,484
Taiwan	5,000	0	0	0	5,000
Laos	200	0	0	0	200
Myanmar(Burma)	0	150	0	0	150
Hong Kong	28	0	50	0	28
Netherlands	0	1	1	0	3
Germany	1	1	0	0	2
Indonesia	0	0	0	0	0
United States	0	0	0	0	0
Japan	0	0	0	0	0
Philippines	0	0	0	0	0
Vietnam	0	0	0	0	0
Grand Total	19,969	82,855	57,915	77,129	237,867
Source:China Customs					
HS Codes: 10061010,10061011,10061019,10061090,10061091,10061099,10062000					
10062010,10062090,10063000,10063010,10063090,10064000,10064010,10064090					
11023000,11023010,11023090					

China's Rice Exports By Destination, MY 2002 (Metric Tons)					
Country	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Cote d'lvoire	112,100	99,828	262,728	265,021	739,676
Indonesia	54	223	133,178	109,894	243,349
Russia	25,099	60,372	64,257	67,621	217,348
Cuba	53,253	68,344	94,685	0	216,282
Japan	70,626	11,629	6,858	12,512	101,625
North Korea	7,912	10,459	26,729	28,030	73,130
South Korea				70,775	70,775
Libya	31,498	0	0	31,500	62,998
Kazakstan	1,073	12,461	23,579	7,771	44,884
All Others	52,782	38,466	43,508	78,284	213,042
Grand Total	354,397	301,782	655,522	671,408	1,983,109
Source:China Customs					
HS Codes: 10061010,10061011,10061019,10061090,10061091,10061099,10062000					
10062010,10062090,10063000,10063010,10063090,10064000,10064010,10064090					
11023000,11023010,11023090					

Barley

China's barley planting acreage and production have been on a downward trend in recent years. However, due to favorable weather conditions, and expanded acreage for malting barley in Northwest China in 2002, overall barley production rose slightly. China's barley production still could not meet the country's brewery requirement. About two-thirds of China's malting barley consumption is met by imports. The global malting barley shortage since late 2002 might further stimulate the expansion of malting barley acreage locally in 2003. As it is, high world prices seem to have prompted considerable substiturtion of other grains, most notably rice, in the brewing process.

Constrained by low production efficiency and poor plant genetics, it is unlikely there will be any change in China's heavy reliance on the international market for malting barley in the near future. China's beer production, ranking second only to that of the United States, has been rising steadily for the past decade. This trend will continue in coming years with consequent steady increases in demand for barley.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Barley				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	770	770	765	735	0	730
Beginning Stocks	226	300	174	255	174	158
Production	2535	2893	2400	2628	0	2600
TOTAL Mkt. Yr. Imports	1913	1912	2000	2200	0	2350
Oct-Sep Imports	1913	1912	2000	2200	0	2350
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	4674	5105	4574	5083	174	5108
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	1200	1470	1000	1380	0	1366
TOTAL Dom. Consumption	4500	4850	4400	4925	0	4955
Ending Stocks	174	255	174	158	0	153
TOTAL DISTRIBUTION	4674	5105	4574	5083	0	5108

China's Barley Imports By Origin, MY 2001/2002(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Australia	277,737	365,372	380,048	252,515	1,275,672
Canada	134,343	105,932	46,765	77,817	364,858
France	145,081	85,420	41,544	0	272,045
United States	0		0	0	0
Lebanon			0	0	0
Mexico	0				0
New Zealand	0				0
Grand Total	557,161	556,724	468,357	330,332	1,912,575
Source:China Customs					
HS Codes:10030010,10030090					

China's Barley Imports By Origin, MY 2002/2003(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Australia	514,531				514,531
France	35,210				35,210
Canada	1,988				1,988
United States	0				0
Lebanon	0				0
Grand Total	551,730				551,730
Source:China Customs					
HS Codes:10030010,10030090					

China's Barley Exports By Destination, MY 2001/2002(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
North Korea	130	109	0	200	439
Vietnam	4				4
Canada			0	0	1
Japan	0			0	0
Russia	0				0
South Korea	0				0
Grand Total	134	109	0	200	444
Source:China Customs					
HS Codes:10030010,10030090					

China's Barley Exports By Destination, MY 2002/2003(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
North Korea	250				250
Vietnam	4				4
Japan	0				0
Canada	0				0
Grand Total	254				254
Source:China Customs					
HS Codes:10030010,10030090					

Sorghum

Despite decreased planting acreage, sorghum production in MY 2002 rose slightly due to favorable weather in Northeast China. Sorghum is mainly used for making alcohol in China. Planting acreage and production have not changed too much over the years. The market for the hard liquour made from sorghum is declining, but with northern China's tight water situation, sorghum is gaining popularity as an alternative feed crop.

PSD Table						
Country	China, Peoples Republic of					
Commodity	Sorghum				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	783	783	850	750	0	745
Beginning Stocks	150	130	131	161	161	143
Production	2700	2722	2800	2710	0	2700
TOTAL Mkt. Yr. Imports	0	3	0	2	0	2
Oct-Sep Imports	0	3	0	2	0	2
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	2850	2855	2931	2873	161	2845
TOTAL Mkt. Yr. Exports	19	19	20	18	0	20
Oct-Sep Exports	19	19	20	18	0	20
Feed Dom. Consumption	600	685	750	765	0	780
TOTAL Dom. Consumption	2700	2675	2750	2712	0	2695
Ending Stocks	131	161	161	143	0	130
TOTAL DISTRIBUTION	2850	2855	2931	2873	0	2845

China's Sorghum Imports By Origin, MY 2001/2002(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Myanmar(Burma)	786	234	999	505	2,524
Australia	0	60	54	0	114
Japan	0		0	0	0
India			0	0	0
Brazil		0	0	0	0
Mexico			0	0	0
United States	0		0	0	0
Uruguay			0	0	0
Argentina			0	0	0
Grand Total	786	294	1,053	505	2,638
Source:China Customs					
HS Codes:10070010,10070090					

China's Sorghum Imports By Origin, MY 2002/2003(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Myanmar(Burma)	1,252				1,252
Australia	262				262
Uruguay	0				0
Brazil	0				0
India	0				0
Japan	0				0
Mexico	0				0
Argentina	0				0
United States	0				0
Grand Total	1,514				1,514
Source:China Customs					
HS Codes:10070010,10070090					

China's Sorghum Exports By Destination, MY 2001/2002(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Taiwan	2,624	3,185	3,767	3,821	13,396
South Korea	1,750	1,291	1,561	260	4,862
Japan	126	109	129	103	466
Malaysia	43	14	81	34	171
Kuwait		40	0	63	103
Belgium	0	60	0	0	60
United States	0	1	4	12	16
Macau	0	0	5	0	5
North Korea		0	0	0	0
Nigeria	0	0	0	0	0
Hong Kong	0	0	0	0	0
Grand Total	4,542	4,699	5,547	4,291	19,079
Source:China Customs					
HS Codes:10070010,10070090					

China's Sorghum Exports By Destination, MY 2002/2003(Metric Tons)					
Country	Oct-Dec	Jan-Mar	Apr-June	Jul-Sep	Total
Taiwan	6749				6749
South Korea	1,354				1,354
Philippines	800				800
Japan	193				193
Malaysia	106				106
Saudi Arabia	84				84
Kuwait	63				63
Hong Kong	40				40
United States	4				4
Macau	0				0
North Korea	0				0
Grand Total	9,393				9,393
Source:China Customs					
HS Codes:10070010,10070090					